



Creating Australia's leading 24/7 renewable energy solution

Bringing clean geothermal energy:
Renewable, Reliable, Ready

Geothermal Energy Acquisition
October 2023

Disclaimer



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ACKNOWLEDGEMENT OF COUNTRY

Cradle Resources Limited acknowledges the traditional custodians throughout Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

One of the most prospective and advanced geothermal portfolios in Australia

Cradle has entered into binding agreements to acquire Volt Geothermal Pty Ltd (“Volt”) and Within Energy Pty Ltd (“Within”)¹, with the aim to become Australia’s leading geothermal company

Transformational transaction into the renewable energy industry

- **First mover in Australia** - Assembled prospective and advanced geothermal opportunities across both Queensland and SA
- **Existing infrastructure** – Portfolio of assets is near existing infrastructure and customers for early commercialisation
- **Proven team** - Established a high calibre team of energy industry leaders

Why Geothermal?

- Differentiated from other renewables by **24/7 renewable energy production**, and already used in over 30 countries
- **Proven technology** - Binary Cycle Power Plants have operated for +70yrs and represent >58% of global capacity²
 - *Can utilise lower temperature geothermal reservoir water of 80-180°C*
 - *Significant **technology development** over the last 10 years, including closed loop technology*
- **Major industry support** from both Federal and State Governments for a rapid energy transition



¹ - ASX Announcement – 7 July 2023

² - IRENA, Global Geothermal Market and Technology Assessment, 2023

Capital Structure and timetable¹

	Number of shares	Ownership (%)
Existing securities on issue	229.9m	30.6%
Consideration shares to vendors of Volt and Within	220.3m	29.4%
Issue of Shares at \$0.02 under the Capital Raising Offer ¹	300.0m	40.0%
Total	750. 3m	100%
Market Capitalisation (post transaction at \$0.02 per share)	15.0m	
Cash Position	\$6.0m	
Enterprise Valuation	\$9m	

Event	Indicative Date
Dispatch Notice of Meeting to shareholders & Lodge Prospectus with ASIC and ASX	October 2023
Public Offer opens & General Meeting	October 2023
Completion of the Acquisition & Satisfaction of Chapters 1 and 2 of the Listing Rules	November 2023
Recommence trading on the ASX	December 2023



Geothermal is essential for the global energy transition towards net zero carbon

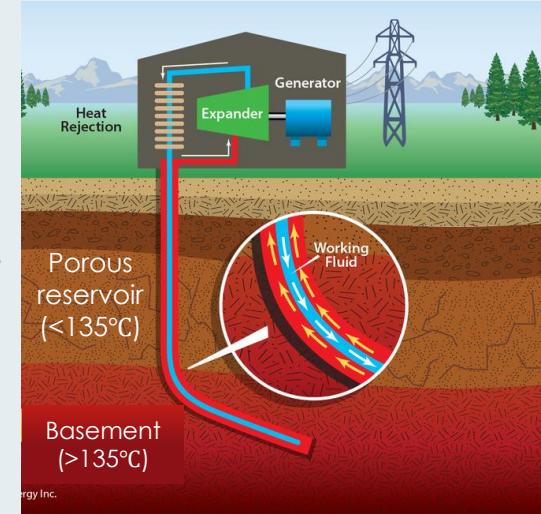
Why is geothermal energy important?

- Geothermal energy is proven, reliable and one of few renewable solutions available 24/7
- Geothermal power generation is used in 30 countries with 16 GW of installed capacity¹
 - USA is the largest geothermal producer with 93 plants in operation and 3.7 GW capacity
- Geothermal operates at >80% capacity and has the lowest levelised cost of electricity for dispatchable technologies in the USA at US\$37.30 per MWh²

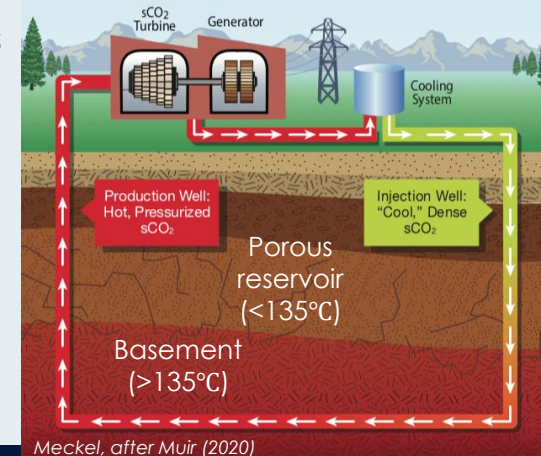
Technological advancements - binary cycle principle power plants and closed loop technology

- Historically the global industry (including Australia) focused on “hot dry rocks”
 - >200°C in tectonically and volcanically active areas, e.g. Pacific Ring of Fire
- Technological advancements have seen a global shift to Binary Cycle Power Plants using geothermal fluids at lower temperatures (80 °C - 180°C) and shallower depths
 - Binary plants have been in operation since 1967; more than 150 operate worldwide
- In a closed cycle, 100% of fluid is returned to reservoir, an emission-free operation
 - Does not require permeability of hot rocks
 - Technology has been proven, is currently being scaled

Single Well Closed Loop System



Dual Well Closed Loop System



1 - Global Industry Analysts, Global Geothermal Power Generation Industry, May 2022

2 - U.S. Energy Information Administration, Annual Energy Outlook 2022

Geothermal provides a pathway for junior companies to participate in the renewable energy transition

		
Barrier to entry	Barriers for entry for other renewable energy solutions	Geothermal Benefit
Access to existing Infrastructure	Lack of access to key and essential infrastructure (terminals & lines) with sufficient capacity	- Binary Cycle Power Plants are typically developed at smaller size between 5MW – 30MW - Accessing smaller transmission lines/sub stations allows smaller operations
Land	Other renewable energy solutions (wind & solar) require access to significant ground at surface	- Geothermal has a significantly smaller surface footprint than other renewable energy solutions - Established tenement structure in place for geothermal energy through most Australian states
Capital intensive	Competing renewable energy developments require large scale to be economic and are capital intensive for direct energy production and/or infrastructure	10MWe project is expected to cost less than \$50m and less than 20% of capex is prior to FID, i.e., minimal spend during the riskier phase ¹
Revenue Uncertainty due to Intermittent Energy production	- Most renewable energy generation (wind, solar) is intermittent over a 24 hour cycle, and can vary significantly from season to season - Excess energy supply from these sources typically occurs during lower energy demand period (eg: “solar duck curve”), putting downward pressure on energy price achievable by intermittent renewable generators	Geothermal by virtue of providing 24/7 base load, benefits from high peak energy prices irrespective of the period of the day and the time of the year

Australia needs geothermal to be a part of its renewable energy solution

Why are there no geothermal projects currently in Australia?

- **Not required** - level of emissions was not a historical driver and fossil fuels were relatively low-cost i.e., coal
- **Not progressed** – historic focus on remote “deep hot rocks” rather than “warm rocks” around infrastructure
 - Deep hot rocks = 4,000 to 5,000m depth with temperatures >200°C
 - Targeted remote locations lacking infrastructure and customers

Australia has the right building blocks in place for geothermal

- **Renewable target** of 82% renewable energy power by 2030
 - *in 2022 we were only at 35% ¹*
- **Financial assistance** is available from Federal and State governments to support energy transition
 - *Regional Communities Reliability Fund, National Clean Energy Fund, Commonwealth Capacity Mechanism, etc.*
- **Geology** is well understood and generally supported by legacy oil and gas well and seismic data
- **Technology is proven** when focused on warm geothermal temperatures for Binary Cycle Power Plants to unlock opportunities close to infrastructure (closed cycle technology has been proven and is currently being scaled)
- **Infrastructure** is in place
 - *The East Coast has the world's longest interconnected power system (NEM), allowing direct access to market*
- **Capability** is readily available, with an overlap between geothermal and the existing resources sector;
 - *Can be supported by proven international geothermal expertise as required*

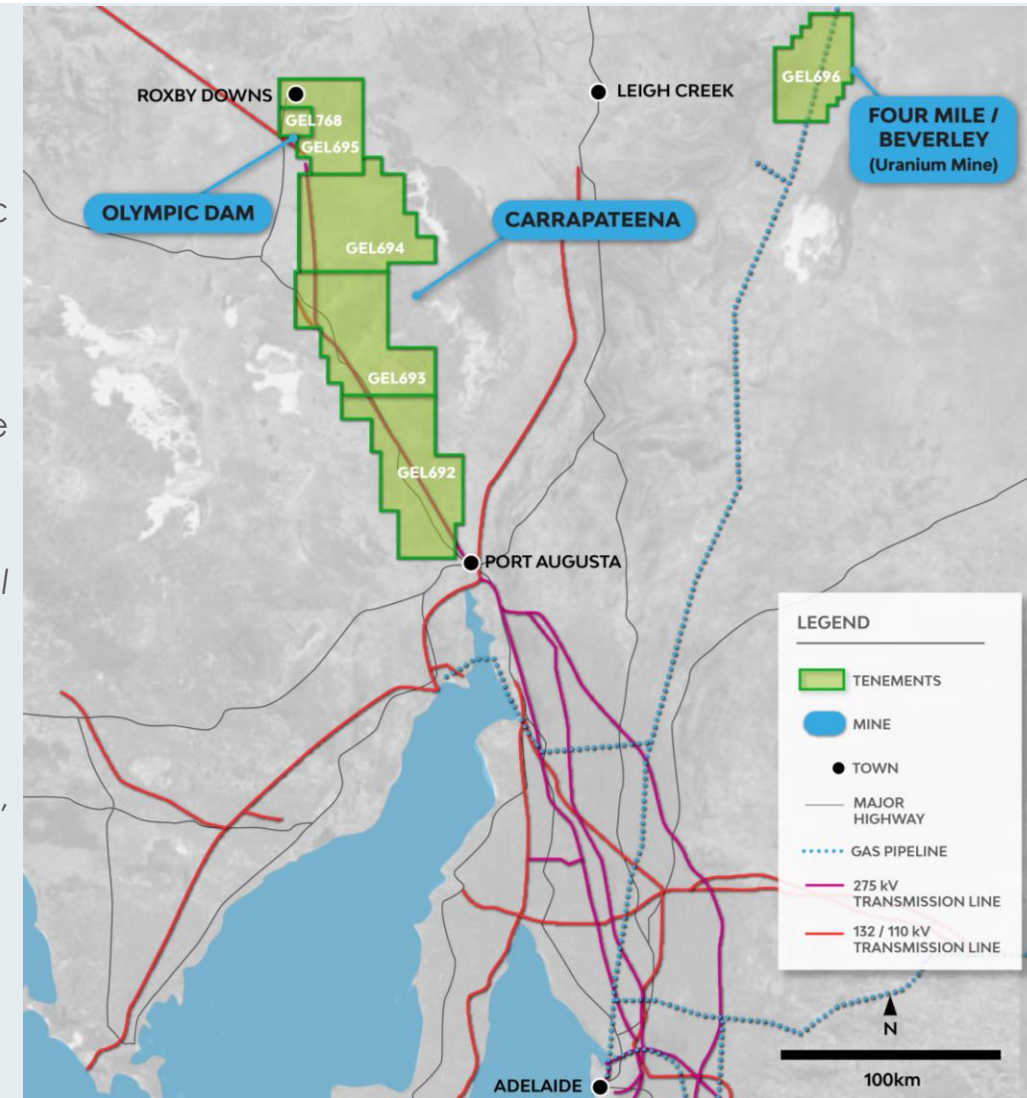
South Australia

The leading renewable energy transition State

- South Australia is the leading Australian state for renewable energy transition
- Cradle has secured blocks totalling over 12,300 km²
- Located on trend with major transmission lines and mines including Olympic Dam, Carrapateena and Four Mile / Beverley

Significant geothermal resource potential

- Geothermal offset well data, available seismic and indicative, regional-scale geophysical mapping were applied by Competent Person¹
- In GEL696, G1 + G2 (P50) resources of 7.6PJ thermal delineated
 - *For reference, a 10MW plant would require approximately 1.5 PJ thermal of geothermal resource per annum¹*
 - *Exploration potential in GEL696 of 563 PJ thermal.*
 - *P-Mean Electrical-Power Resources² estimated 6,600MWe⁴*
- Along the Western flank, aligned with the power lines and major mining centers, combined exploration potential 2,423 PJ thermal
 - *P-Mean Electrical-Power Resources³ estimated at 22,100MWe⁴*



1 – Competent Person - these analyses have been performed by Dr. Arnout JW Everts who holds a PhD in Geology from VU University Amsterdam and has 33 years of industry experience – see Competent Person's Statement included in this presentation

2 - assuming a plant load-factor of 0.9 and a range (P90 to P10) 1.9 – 7.9MWe/km² (Megawatt electrical per square kilometer) for GEL696

3 - assuming a plant load-factor of 0.9 and a range (P90 to P10) 1.1 – 6.9MWe/km² for GEL692/693/694/695/768

4 - The estimates of Electric Power-Resource Potential are strictly indicative and should not be construed to be compliant with UNFC

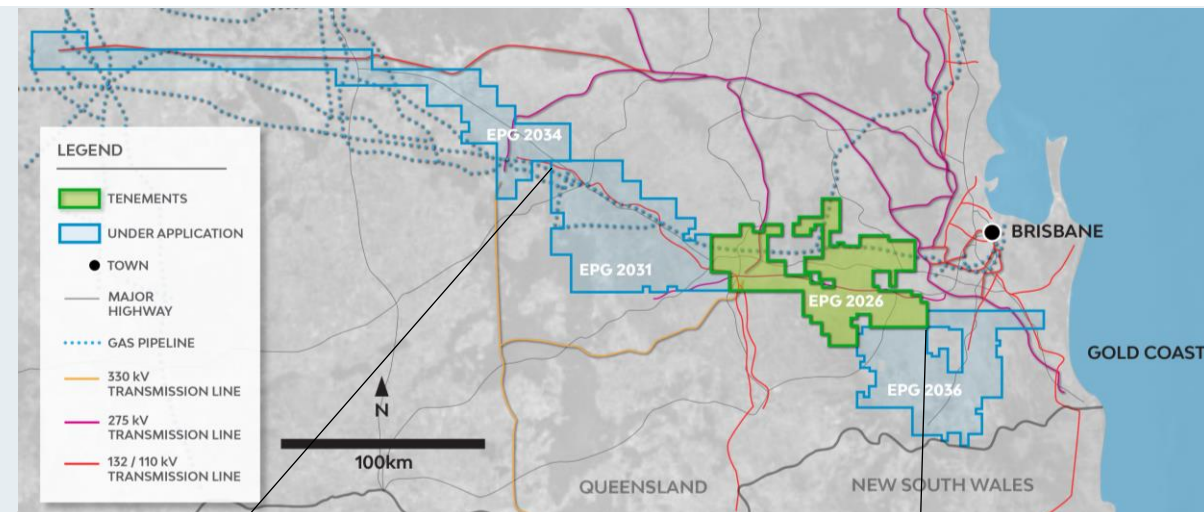
Queensland

Government supporting renewable energy

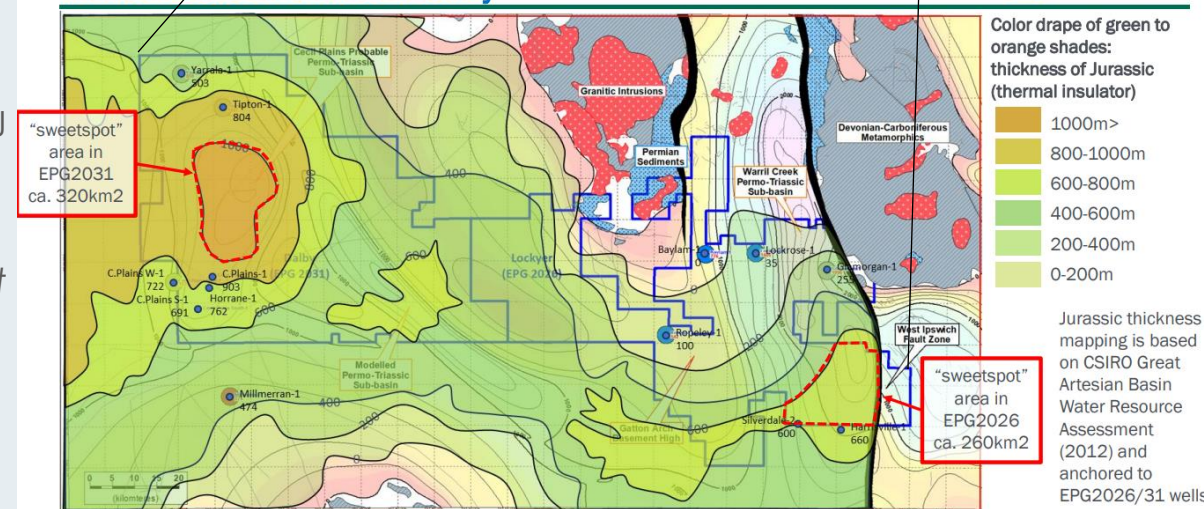
- State Government announced \$19bn budget to be spent over 4 years to support renewable energy, storage and transmission
- One tenement granted and three under application
 - Located near Brisbane metro, with major transmission lines located on tenements
- EPG2026, located near Brisbane metro, provides access to grid supplying >75% of QLD population.
 - Tenements under application are located near major industrial activity in the Bowen and Surat Basin mining areas

Significant geothermal resource potential

- Exploration potential¹ of 62.2 PJ thermal on EPG2026, and 101.2PJ thermal EPG2031
- Energy potential 'sweet spots' identified on 2026 and 2031
 - P-Mean Electrical-Power Resources are estimated at 1,500MWe² in these sweet spots³



EPG2026 & 2031 map showing Basement Depth / Geology with Jurassic Thickness overlay



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see Competent Person's Statement included in this presentation

2 - assuming a plant load-factor of 0.9 and a range (P90 to P10) 1.1 – 3.7 MWe/km2 (Megawatt electrical per square kilometer) for EPG2026 and 1.2 – 4.6 MWe/km2 for EPG2031

3 - The estimates of Electric Power-Resource Potential are strictly indicative and should not be construed to be compliant with UNFC

Key targets for 2023 - 2024

- 2023
 - ✓ Secure fit for purpose team including Board
 - ✓ Secure Australian acreage under application
 - ✓ Completed Competent Persons Report on Queensland and South Australia Resource Potential
- 2024
 - Complete Environmental, Native Title and Cultural Heritage approvals
 - Conduct geological and geophysical studies
 - Define highly ranked subsurface areas
 - Complete infrastructure tie-in assessment
 - Complete market studies
 - Define preferred drilling/development locations
 - Secure international technology partner
 - Progress potential government funding/support
 - Assess strategic partner farm-in potential
 - Conduct Business Development growth assessment
 - Drilling program ready



Competent Person's Statement

The information in this release that relates to resource estimates through the mapping of prospective areas and gross rock volumes, review of reservoir temperature and properties of rock formations, pore fluids and fracture systems within the metasediments and basement rocks of CRADLE Energy's South Australian assets is based on analysis of data provided by CRADLE and sourced from open-domain databases. These analyses have been performed by Dr. Arnout JW Everts who holds a PhD in Geology from VU University Amsterdam and has 33 years of industry experience and a proven track record of technical leadership, project management, and technical task and project delivery. His areas of expertise include techno-commercial project due-diligence, field (re)development, oil & gas reserve and resource assessments, geothermal resources and exploitation viability, underground storage of CO₂ (CCS) and hydrogen. Through his career, Dr Everts has participated in and/or led over 100 energy projects spanning the entire project life-cycle, from frontier exploration to late field-life including unconventional. In recent years his focus has shifted to renewables, i.e., geothermal and CCS. Dr Everts is an Active Member of AAPG (American Association of Petroleum Geologists), EAGE (European Association of Geoscientists and Engineers) and GSM (Geological Society of Malaysia), a Professional Member of AGA (Australian Geothermal Association) and he has contributed as lead author or co-author to around 30 research papers and extended abstracts in international scientific journals including papers on geothermal resource potential and assessment. As EuroGeologist title holder (registration no 1435) Dr Everts is entitled to sign off on Company Reserves and Resources reports submitted to regulatory bodies.

Dr. Everts has consented in writing to the inclusion in this release to the matters based on his information in the form and context in which it appears. Dr. Everts is engaged by CRADLE as an independent consultant and is not employed by the Company.



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